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SUBJECT: UNGA/C-5: G77 AND OTHERS ATTACK U.S. FOR ARREARS,
WHILE SEVERAL COUNTRIES RECOGNIZE ITS EFFORTS AND THE
IMPROVING FINANCIAL SITUATION

11. (U) SUMMARY: Recently, Under Secretary General Angela Kane briefed the Fifth Committee during a formal session on Item 134: Improving the financial situation of the United Nations. Following this briefing, the Fifth Committee held another formal meeting to discuss this issue and received updates from the Controller on recently received payments by certain Member States. The G-77 and China began the discussion by criticizing the United States for being the country responsible for the "grim and disappointing" financial situation of the U.N. A litany of G-77 countries repeated the attacks, with Venezuela, Cuba, and Nicaragua amongst the most vitriolic. Cuba took the opportunity to again condemn the United States for its embargo against them. Australia and Singapore recognized U.S. efforts to pay down arrears, while several others commented on the improved financial circumstance of the United Nations. The United States closed the session with a brief statement noting its recent payments and overall effort to meet its financial obligations to the United Nations. The complete list of speakers were Sudan (on behalf of the G-77 and China), Sweden (on behalf of the European Union and associated countries), Mexico (on behalf of the Rio Group), the Philippines (on behalf of the Association of Southeast Asian Nations), Canada (on behalf of CANZ), Nicaragua, Singapore, India, Japan, Cuba, Bangladesh, Pakistan, China, Uruguay, Argentina, Turkey, the Russian Federation, Venezuela, and the United States. END SUMMARY.

OUTLOOK ON FINANCES AND ATTITUDE TOWARDS U.S. REMAINS
NEGATIVE

12. (U) G-77 ATTACKS U.S. ON BACK PAYMENTS: As in previous years, the G-77 was highly critical of the United States ignoring the recent U.S. payments. Sudan, speaking on behalf of the G-77 and China remarked "the breakdown of unpaid assessed contributions to the Regular Budget shows a high degree of concentration in one particular Member State accounting for more than 93 per cent of the total." The G-77 partially refuted the validity of reports that the United States has begun to pay its arrears, noting its "surprise at the Secretary-General's hasty press statement last August congratulating the payment of contribution of this member state." The G-77 claimed that the United States "is only and hardly half way of fulfilling its legal and financial obligations." The G-77 expressed disappointment with the United States following the painstakingly-negotiated scales of assessment compromise in 2000, commenting "we deeply regret that the major contributor has not fulfilled its part of the arrangement." While not suggesting any particular next steps, the G-77 noted that "all actions should be taken in order to facilitate payments of assessed contributions."

13. (U) VENEZUELA, NICARAGUA, AND CUBA ADD TO ATTACKS ON U.S.: Venezuela noted that it is "quite concerned that 93% of arrears lie with one state" and contended that the arrears of the United States are used as an instrument of power. They reminded the Secretary General of his "obligation to monitor the main debtor, the United States." Nicaragua criticized the U.S., but also expressed some hope for the future, noting a "hope that those days when the major contributor used its debt to force its measures through, we hope that these days have been relegated to the dark days of the organization and that this new direction becomes palpable." Cuba, referring to the U.S., noted that although "it benefits the most from the distortion in the calculation of the scale of assessments, it is responsible for 93% of the unpaid contributions." Turning to the embargo, Cuba provided examples of how the "extra-territorial implementation of the provisions of the blockade" prevents it from carrying out certain necessary international transactions and implicated several Swiss banks for their complicity in enforcing embargo. Cuba claimed that there is an attempt to "silence the Cuban voice in the multilateral institutions. It seems that after 50 years of Revolution, some still do not get used to the idea of an independent and sovereign Island of Cuba."

14. (U) BANGLADESH AND OTHERS DESCRIBE CONSEQUENCES OF LATE/NON PAYMENTS: Several countries provided more nuanced comments as to how delayed payments harm the United Nations, Bangladesh expressing "unpaid assessed contributions of a few members are weakening the entire organization's financial health, and making it debtor to a number of poor and developing countries." Uruguay explained that arrears "due to delay in payments by major contributors" lead the United

Nations to engage in cross-borrowing schemes within the accounts of closed peacekeeping missions to keep active missions afloat. They added that they are "really disturbed over this situation." Argentina said that many problems ensue when payments are delayed to Troop Contributing Countries (TCC).

15. (U) E.U. AND JAPAN REFRAIN FROM ATTACKS, BUT CALL FOR ON-TIME PAYMENTS: The European Union commented that it is the "responsibility of each Member State to pay its' assessed contributions in full, on time and without conditions." The E.U. stopped short of implicating any specific country, but emphasized that payment by all is especially important in the wake of the financial crisis. Japan simply declared that "the situation is far from favorable". They also noted that the peacekeeping budget has "reached an unsustainable level." While not responding to any specific statement by any Member States, the U.S. made an informal statement noting its recent payments to address past arrears as well as current peacekeeping assessments. The U.S. also noted the Administration's renewed commitment of honoring its financial obligations to the United Nations.

SOME COUNTRIES SENSE CHANGE IS IN THE AIR

16. (U) AUSTRALIA AND SINGAPORE RECOGNIZE U.S. EFFORTS: Australia commended the recent payments by the United States, commenting "we see an improvement in the liquidity of the Organization, stemming in part from the reduction in arrears by the United States - a positive development, which we welcome." Singapore chimed in noting that "my delegation recalls the recent commitments by one of the major contributors to settle its outstanding bills" but encouraged more payments, noting that "we look forward to concrete action to fully honor those commitments."

17. (U) SINGAPORE, JAPAN AND OTHERS RECOGNIZE IMPROVED UN FINANCIAL SITUATION: Several countries offered limited praise for improvements in the balance sheets at the U.N., but did not specifically relate the change to the actions of any one

country. Singapore claimed that "there has been an improvement in the peacekeeping budgets" and Japan added "we are pleased to note the anticipated cash balance at the end of this year." Argentina and Turkey both recognized a positive trend for the financial situation in 2009. Russia was more hesitant, calling the situation "still mixed," but implying that there may have been some improvement. Uruguay noted that its "delegation is pleased at the slight improvement this year."

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